

## RESPONSE

### Kahneman in practice

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*Thinking, Fast and Slow* is impressive in style, scope, content and implications (Kahneman, 2011). It deserves to have a wide impact. Kahneman's work has had a major impact in scholarly circles for decades.

It would have been easy for him to continue with his research as usual, leaving the task of popularisation to others (e.g. Myers, 2002). Instead, he has risked his reputation by producing his own accessible treatment, adopting a different genre of writing. Although not as much of a page-turner as some others, his book is stimulating to read, with a pleasing mixture of personal anecdote, careful explanation of experiments and findings, and discussion of social relevance. Kahneman has set an example for other leading scholars on communicating to wider audiences.

The book is wide-ranging, as indeed Kahneman's research has been, with relevance to various fields, most obviously economics, but also business, interpersonal relationships and military training. This is possible because Kahneman's focus has been the operation of the human mind. His basic categorisation is to divide thinking into the two systems, referred to in the title. System 1 is the fast, intuitive mode and System 2 is the slower, more logical mode. To talk of two systems is a convenience, but a productive one. When the systems work well, there is not too much to say. Recognising a friend, adding some numbers, and crossing a road are everyday activities that are carried out, for the most part, reliably. Where things become interesting is when the systems cause problems by leading to sub-optimal perceptions or understandings. *Thinking, Fast and Slow* is filled with examples: the book systematically goes through various types of biased thinking, forms of overconfidence, and errors in making choices.

The insights provided by Kahneman's explorations have implications in two main realms: intellectual life and everyday life. Kahneman gives only hints at the intellectual disputes engendered by his research, notably disputes with economists. One possible reason for downplaying disagreement and controversy is Kahneman's

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preference for a calm, systematic presentation. Although the book is titled *Thinking, Fast and Slow*, the exposition invariably reflects the slow mode, a dignified approach suitable for a senior scholar, though describing disputes could have made for entertaining reading. Another explanation for Kahneman limiting his discussion of intellectual disputes is that he, like most other prominent researchers, sees the world through the lens of his own studies, and hence gives less than full recognition to competing views, a shortcoming highlighted by Peter Earl in his review. Although Kahneman often illustrates his psychological findings by applying them to his own thinking, he does not remark on the potential bias of giving inadequate acknowledgement to perspectives competing with his own.

Readers interested in everyday-life applications will find much to contemplate. The book is filled with insights about thinking problems and, to a lesser extent, with practical tools to overcome them. Just providing a label for problems is a good start. At the end of each chapter are hypothetical quotes for informed discussion of the issue covered in the chapter. For example, one of five ways of ‘Speaking of losses’ at the end of the chapter on bad events is ‘Each of them thinks the other’s concessions are less painful. They are both wrong, of course. It’s just the asymmetry of losses’ (p.309). Assiduous readers may feel inspired to adopt some of these ways of thinking and talking. Although *Thinking, Fast and Slow* is very far from being a self-help manual, it provides plenty of starting points for those who want to proceed this way.

### Applications

The possible applications of psychological research into thinking are enormous. Kahneman gives many suggestions, but other areas remain to be developed. Here, I mention some examples from my own research and experiences. I advise many whistleblowers (Martin, 1999). In many cases, they have experienced reprisals and they often seek redress from an ombudsman, anti-corruption commission, court or some other agency. I know from experience, backed up by research (De Maria, 1999), that these sorts of official channels hardly ever work. The trouble is that each whistleblower thinks his or her own case is special. I have long used base rates to give them a different perspective – and in this I can now draw on research about base rates. However, availability bias is not the only psychological process involved: most whistleblowers have an intense passion for obtaining justice and see official agencies as the means to do this. Their determination to pursue official channels, despite the odds, has more than one psychological foundation.

Another example is the coherence of viewpoints in scientific controversies. Kahneman describes research showing that individuals who think a technology is beneficial will downplay its risks, and *vice versa* (pp.139–40). I discovered the same thing in researching the fluoridation controversy (Martin, 1991): pro-fluoridation campaigners thought adding fluoride to public water supplies was highly beneficial, posed little or no risk, and was ethical, whereas opponents downplayed the benefits, highlighted the risks and said fluoridation was unethical. Cognitive consistency is part of the explanation for this coherence of viewpoints, but I proposed an additional factor: anyone with an intermediate or mixed position would not be welcome as a campaigner, and their apparent concessions would be used by opponents. Such individuals would receive little encouragement to remain in the public debate. In other words, polarisation of viewpoints is promoted by the dynamics of the

controversy itself, as well as by psychological factors. This example suggests the power of combining psychological insights of the sort expounded by Kahneman with insights from other domains.

Yet another example is terrorism. Kahneman notes that terrorism ‘speaks directly to System 1’ (p.144), generating an availability cascade that ratchets up an unreasonable level of fear that System 2 has difficulty countering. But there is more to the perceived threat of terrorism than availability. One approach to terrorism (Schmid and de Graaf, 1982; Nacos, 2002) is to see it as the use of violence to trigger and amplify communication: the ultimate target of terrorist actions is not the people attacked, but audiences that learn about it. The mass media are implicated in this process, because their own assessments of what is newsworthy give undue attention to violence compared with peaceful protest. So to understand fully the popular response to terrorism, it is valuable to understand both psychological dynamics (such as availability cascades) and media dynamics, as well as other factors (such as the internal politics of terrorist groups). Each of these examples shows the value of complementing thinking-mode insights with insights from other domains, such as media, politics and bureaucracy. Robin Mansell in her review highlights the value of combining understanding of both psychological and institutional dynamics in decision-making.

### **More research?**

One way research on thinking could be extended is by giving more attention to cultural differences. Most of the studies that Kahneman reports were carried out in the US, others in Israel and Europe. Do people in Uganda or Uruguay respond the same way? Do nomadic groups respond the same way? What about people with specific brain deficits? Does home-schooling change responses compared with conventional schooling? Another extension is more comparison with real-world experiences. Many of the experiments ask subjects to choose between options in a laboratory setting. This is a good way to clarify processes, but relevance to other circumstances needs to be studied. It is plausible that processes such as loss aversion apply outside the lab – there are plenty of examples, after all – but they may be modified or augmented by other dynamics. Peter Earl, in commenting on a draft of my review, noted that this area ‘is called “external validity” in experimental economics and is an area of frequent discussion in that field’.

### **Implications**

Inasmuch as the findings about thinking are valid, they deserve to be applied for personal and social benefit. For example, if people, because of misleading cognitive processes, are making decisions that reduce their happiness, then it seems sensible to give them the opportunity and skills to think in a more informed fashion. This raises another question: how can practices and policies inspired by insights about thinking be implemented? One method is through individual enlightenment as the ideas gradually become more widely known. *Thinking, Fast and Slow* is an important contribution along these lines. Readers from different walks of life may be inspired to learn more, to change their habits and to introduce the ideas and new practices to others. They will also become more receptive to new information on

the topics covered in the book, whether provided by the mass media or circulated by friends.

However, individual uptake has limitations: it is uncertain and unsystematic and leaves untouched institutional pressures. For a more collective response, schools provide an obvious avenue for presenting the ideas. Individual teachers can take initiatives. However, there are barriers to more systematic uptake in terms of the design of educational systems. Kahneman provides a telling example of the difficulty a group had in developing a syllabus, which was never adopted.

The same sorts of obstacles are to be expected whenever findings are potentially threatening to standard ways of behaving. If financial traders cannot do better than the market over the long term, a key rationale for their jobs is removed. (Astute traders may be able to improve their performance by understanding the psychological biases of other traders, though this is self-limiting if other traders learn the same skills.) Other potential implications of the findings – for example, that investors be given easy access to index funds, similar to making a bank deposit – are too threatening to have an immediate chance of being implemented.

Another example is the traditional process of choosing among applicants for a job. Kahneman describes the many biases that affect selection committees, and reports findings suggesting that selection based on independently assessing components of performance would lead to better choices. Yet managers think they know better and continue to use interviews and make decisions following group discussions. A key obstacle may be that managers do not want to relinquish their control over hiring.

Kahneman has delineated an approach to psychology that has manifold implications. However, to make significant social change requires knowledge of more than psychology. Numerous social movements – the labour, feminist and environmental movements, among others – have struggled to transform entrenched systems of power. These and other movements may need to be brought on board to make full use of insights about thinking.

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